Technological upgradation of SSI sector

4262. SHRI SANTOSH BAGRODIA : Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state :

(a) initiatives taken by Government to provide loan to develop technology for extension and development of small industries in the country before announcing the removal of certain restrictions on imports;

(b) if not, the reasons therefor;

(c) whether any fund is earmarked for the development of small industries in the country; and

(d) if so, the initial amount and the details of utilization of funds?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE) : (a) and (b) As per the Comprehensive Policy Package for SSI Sector announced on 30th August, 2000, the Government have launched a Credit Linked Capital Subsidy Scheme for Technology Upgradation of the Small Scale Industries in October, 2000. The scheme provides for back ended capital subsidy to the extent of 12% in select products/'sub-sectors for known proven technologies. Small Industries Development Bank of India (SIDBI) is the nodal agency for the Scheme being operationalized through Scheduled Commercial Banks/National Small Industries Corporation. An initial sum of Rs. 5 crore, as an advance, has been made available to SIDBI to commence the Scheme.

(c) and (d) SIDBI has earmarked a fund of Rs. 200 crores, which has been subsequently enhanced by an additional Rs. 100 crores under its Technology Development and Modernisation Fund (TDMF) Scheme for the development of SSIs in the country. The cumulative sanctions and disbursement under the scheme since inception upto 31st March, 2001 are Rs. 462.82 crores and Rs. 154.18 crores respectively.

Infrastructure Development Fund

4263. SHRI SOLIPETA RAMACHANDRA REDDY : Will the Minister of SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES be pleased to state :

(a) whether Government are considering to set up an Infrastructure Development Fund for Small Scale Industries in the country;

(b) if so, the details thereof;

(c) the extent to which the industrial infrastructure of Small Scale Industries is expected to be upgraded;

(d) whether the study group on policy for Small Scale Industries has submitted its recommendations to Government, if so, the details thereof; and

(e) the steps being taken by Government for the development of Small Scale Industries in the country?

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, AGRO AND RURAL INDUSTRIES (SHRIMATI VASUNDHARA RAJE) : (a) to (d) The study group on Development of Small Scale Enterprises was constituted by the Planning Commission in May 1999 under the Chairmanship of Dr. S.P. Gupta, Member, Planning Commission. The Study Group has submitted its final report in March, 2001. The major recommendations include a three tier definition for small enterprises, a comprehensive law for the sector, including simplification of procedures, continuation of reservation, selective enhancement of investment limit, improving flow of credit, through raising limit of composite loans, various financial and fiscal measures such as raising excise exemption limit and other measures and schemes for improvement of infrastructure, technology upgradation, marketing, etc. Recommendations *inter-alia* included setting up of an Infrastructure Development Fund of the order of Rs. 2000 crores for Small Scale Enterprises. This fund is to be utilised to help the States/UTs in creating, revamping and upgrading the industrial infrastructure for SMEs including upgrading the infrastructure in the existing industrial estates.

(e) A number of recommendations of the Study Group have since been implemented through a comprehensive policy package for SSIs which will strengthen the Small Scale Sector and enhance its competitiveness both domestically and globally through easier access to credit, availability of collateral free composite loans upto Rs. 25 lakhs, capital subsidy for technology upgradation and improved infrastructure. It includes a Credit Linked Capital Subsidy Scheme for Technology upgradation of SSIs with a provision for lending of Rs. 5000 crores. The other recommendations of the Study Group constitute a basis for the formulation of the Tenth Five Year Plan.